THOUGHTS

ON THE

CAUSES OF THE PRESENT DISTRESSES,

IN A

LETTER

ADDRESSED TO THE

Citizens of the United States.

"The effects of all human contrivances are in the hands of Providence. "I do not like to answer for the events of any speculation. But surely "the nature of our disorders must indicate the proper remedy. Men who "act steadily on their principles, may, in all events, be very serviceable to "their country, by furnishing an administration formed upon ideas very "different from those which have for some time been unfortunately fash-"ionable."—BURKE.

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THOUGHTS

ON THE CAUSES OF THE PRESENT DISTRESSES.

To the Citizens of the United States:

GENTLEMEN—In presuming to address you upon the subject of the present difficulties that exist among all classes of society, affecting not alone those honorable individuals, who from their wealth and character have been deservedly ranked by you as amongst the most distinguished of your citizens, (and whose enterprizing dispositions have given an impulse to commerce that has caused you to become, if not *the* first, at least to be esteemed among the most important nations of the world;) but also the industrious mechanic, the honest and hard working artizan, and likewise (the more remotely) extending its baneful and pernicious effects upon the honest cultivator of the soil, and through him to his farm laborers; I am not influenced by the vanity of supposing it to be within my power to propose any remedy to so distressing a state of things; but am rather ambitious to provoke a spirit of discussion amongst you, that your own good sense, and the reflections you yourselves will make, upon having a correct statement of the

present difficulties submitted to your attention, will provide the surest and most salutary remedy. It will not be denied, gentlemen, that it is time to bestir yourselves, when scarcely a day passes but your confidence is shaken by some alarming and extensive failure; and though it does not fall within the province of my little work, to trace step by step the effect of these appalling circumstances; nor to violate the sanctity of domestic privacy, by exposing to the public gaze, the irretrievable ruin in which whole families are involved; yet it is a part of the task I have proposed to myself to call upon you to arouse—to awaken from the too dangerous lethargy into which you have fallen: And if your governors have become too supine and indifferent to your national welfare, let it be your part to redeem your national character by a decided expression of your opinion; and if the bloated form of the monster of corruption has hitherto secured an undisturbed retreat within the shelter of authority, and been protected by the mantle of office, be it your part to pluck it from its hiding place, and expose it in its most hideous aspect.

There is a point of endurance when forbearance no longer becomes a virtue; but should oppression reach this point and be unchecked in its progress, they who can daily experience the effects of misgovernment, and be awed into silence, or deterred from the expression of their opinions, well deserve to be the first victims of its universal ruin. Amid a state of things so generally distressing—so uni-

versally destructive of confidence in your commercial transactions as the present, the mind naturally enquires into the *cause* of so sudden a transition from the highest state of commercial prosperity into the lowest degree of national distress; and while one man expresses his firm opinion that it is a consequence of the trading of your monied men being extended beyond the limits of their capital, the political partizan is equally strenuous in attributing it to the mal-administration of your late President; and a third is persuaded it is the consequence of too much specie being in circulation, while a fourth suggests that if the amount of specie currency be diminished, your distresses will cease; and a fifth insists that the permission to circulate small notes is your only restorative.

But while the financier is lost amid the mazes and obscurity of the currency question, and the candid and impartial mind, uninfluenced by political hostility, hesitates to pronounce so sweeping an anathema upon the mistaken (though perhaps well intentioned) policy of your late President; one thing, and one thing only, is certain—the distress continues, nay increases; and the appalling circumstance is but too manifest, that in a short period no medium will be to be found for the exchange of the most ordinary necessaries of life. But if the answer to the enquiry "how has this state of things arisen," be difficult, if you enquire where will it end, how will it terminate, the reply is infinitely more so. A palsy seems to have subdued the mental energies of the individuals whose stake

at hazard is the largest; they *know* that distress exists, they cannot deny this, for the evidence of it is before their eyes, and affects themselves; but how to avert the impending ruin, they have neither courage nor inclination to enquire.

Instead of lending the best energies of their minds to the amelioration of their present condition —instead of lending their habits of business and their practical knowledge of finance, (a knowledge the more valuable because acquired by experience,) to the important and all absorbing enquiry "whence has our distress originated," in order that the best and safest method of relief may be devised; these men, by whose means alone a healthy state of things can be restored, upon whom the commercial energies of the country hitherto have, and must still continue to depend; instead of advancing with determination and firmness, and boldly announcing, "repeal your treasury order—rescind at once that ill advised and injudicious measure, or an appeal to the physical force of our country must be made to avert the general bankruptcy and the consequent inevitable distress of all classes;" these men are content to discuss this important question in small knots, or within the family circle, and there is no one voice expressing an unanimous opinion from one extent of the state to the other. From month to month has this distress continued rapidly to increase—at a period of the year too when your Legislature has been sitting, who, instead of realizing your just expectations of devis-

ing some great measure of national relief, have frittled away their own and the public time in fruitless enquiries into subjects unimportant in comparison with the one great and interesting topic of national bankruptcy; and the session is about to close, and the members to retire to their own homes, and the nation to be left either to convulse itself in the attempt, by natural means, to regain its commercial prosperity, or quietly take their chance and submit to a continuance of the horrors of the present until the Legislature shall resume its labors.

When you consider the internal resources of America, and the height of prosperity to which her widely extended commercial transactions have raised her, and the important consideration which, as a nation, she receives from the whole of the civilized world; when you reflect too, that unassisted by foreign succor, she has raised herself to this pinnacle of glory, dependent upon her own internal resources, what a sense of debasement will every right minded American feel, when he reflects that now, for the first time, through the impolicy of her chief ruler, his country has been forced to seek foreign succor, to relieve her from internal pressure, and to enable her merchants to fulfil their private engagements.

What! has America sunk so low, or do the expenses of her government so far exceed the immense amount of her annual revenues, that foreign assistance is requisite to sustain the national honor, and that application for a pecuniary loan

must be made to the very country of whose resources you have declared your ability to live independent? Tell me ye who declare "there is no distress, or if there be, that it exists only among those who being too lazy to work, deserve to starve;" tell me, ye who revel in wealth, independent of the fluctuations of time and circumstances, and with a cold philosophy can speculate upon the distress you do not, cannot feel, what is it that has caused such distrust of the stability of your banks, that foreign merchants have publicly refused their paper, and openly demand specie in liquidation of their claims upon their brethren here? Nor can we blame their foresight, for it is impossible to resist the evidence of its being well founded. View the course your banks are being compelled to pursue, and though the majority of them are undeniably worth, in real property, *twice* the amount of their issues, yet they have been so drained of their specie for the purpose of complying with the iniquitous treasury order, that safety for themselves and justice to the public, compel them to suspend their specie payments, in order that at some future day it may be within their power to satisfy their engagements to the public.

Either the application to England for assistance has been uncalled for, or it has been adopted as the only means of relieving the pressure at home, and enabling your merchants to meet their engagements abroad. If the former, why has it been made? if the latter, whence has the necessity for making it arisen? Far be it from me to insinuate, however

remotely, any abuse on the part of the government of those funds which under the treasury order the government have received *in specie ;* but if assistance has been needed to revive your drooping commerce, why has not your own government conferred this obligation, instead of making you dependent upon the friendly dispositions of a foreign power for the means of relief.

What has become of the funds received under this treasury order? how have they been expended?—to what purposes have they been applied? if they have not been expended, to what account are those funds placed now? are questions to which every American has a right to *demand* a reply; and if no satisfactory solution be offered, you are justified in the suspicion of gross peculation in the management of those funds; and we beg to remind your administration, that to retain their power a government should be free even from the breath of such suspicion. Or taking it for granted (which indeed seems difficult,) that some reason, so satisfactory that it shall not fail of carrying conviction to the mind can be assigned, why the government having the means, have not offered *at home*, the assistance the nation has been compelled to seek from abroad; is it, can it be true, that the Bank of the United States have presented their demand against the government, and that the payment is withheld?—If so, alas! for the departure of that public virtue, and for the loss of that patriotism, you have been accustomed to behold in your rulers, and which

has entitled them to the just reward of a people's gratitude, and of national honor. But though of late years it may have become the *fashion* to discard from the breasts of *modern Legislators* the *unnecessary obligations* of honor and justice; though the feelings of mutual dependence, that formerly did, and still ought, to attach ruler to citizen be no longer recognized, we might have expected your rulers to have retained sufficient *shame*, not to have attempted to direct the popular indignation due to their own mis-government, against *unoffending objects*.

If the national distress had assumed another form, and instead of a scarcity of *money*, there were to be a scarcity of *provisions* in your markets, you might, and that with some appearance of foundation, attribute such a state of things to monopolists and speculators; but without any intention to avert from this class of people their share of the popular indignation, if it can be shown that they have justly deserved any; yet we are desirous that the general censure should be directed against those who have *deserved it;* and that the innocent should be screened, while the guilty should be detected and exposed, and receive the full measure of punishment due to them. Who is it among you, gentlemen of the United States, can charge your capitalists and your great speculating characters with having caused your present distresses? If private individuals have indulged in speculation to an extent unwarranted by their amount of capital, who is there can be acquainted with the fact but the in-

dividuals themselves? and if the outcry against them be any way just, it must have for its foundation the admission of such individuals—a circumstance, to say the least, a little unlikely. If it seem unreasonable that capitalists should have publicly made this admission, you will naturally inquire upon what evidence does the outcry against them rest, and where is its justice? But if some minds shall have imbibed this prejudice so that it cannot be uprooted by reason, to gratify such, and for the sake of the argument, let us admit this much, viz: that there *has been* an extensive speculation, and that in some cases it has been unwarranted by the pecuniary means of the individuals engaged in it. Beyond this admission no reasonable mind can possibly require you to go. But to believe that a few individuals overtrading themselves, could cause so vast and terrific a panic as to create a scarcity of money, not in one state alone, but throughout the United States, and that not for a few days, nor even weeks, but *months;* when we see that it extends through all classes—that it affects the individuals supposed to be worth thousands, and houses to whom the voice of public opinion had attributed the possession of wealth almost inexhaustible, do not escape the universal confusion, but carry with them in their crash others whose main dependence has been upon them, and become the more conspicuous in their ruin from their former station; to attribute all this to the actions of a few individuals, however wealthy, does seem to attribute to your capitalists more con-

sideration than they are really entitled to. But even if a few individuals have had it in their power to cause effects so injurious to society at large, the mal-administration of the government, and their utter disregard of the wants of society and the voice of public opinion, is only rendered more conspicuous—for seeing how your money market was affected, and admitting the necessity of affording temporary assistance to your merchants, (whose difficulty be it remembered is, not that they have not sufficient assets to answer all their engagements, but that they are not able to realize sufficient funds to meet the present pressing calls upon them for money,) with the surplus revenue your government have of late years been receiving, and with the immense amount they have received in specie under the treasury order, for the sale of public lands, it must have been, or ought to have been, within their ability to have afforded all the assistance required.

It cannot be denied that your government saw and recognized the necessity your merchants had of temporary accommodation, if they have been made at all acquainted with the signs of the times, and the loudly expressed voice of the people, though perhaps it has of late become a more pleasant occupation to contemplate the hoards of glittering wealth as they lie concealed in secret vaults, than to circulate the treasures of the people, in order to relieve the people's wants. If it be too grave an accusation deliberately to utter, that your government are hoarding these treasures for secret pur-

poses—no matter whether for individual aggrandizement or for use at future elections, at least, they are guilty of gross indifference in not lending their aid to the relief of difficulties so unprecedented, both in magnitude and for the extent of time they have endured. But in this latter supposition relief is not yet impracticable. If your government have treasure in store, to whom does it belong—*to yourselves*—they are but conservators of the public treasure, though perchance from having long feasted with the delightful contemplation of piles of gold and silver, the idea of self-appropriation may have crept (*insensibly of course*,) into their minds, and rather than part with what they have taught themselves to consider their own, they are deaf to the attacks upon the purity of their public reputation, which the course they are pursuing has afforded the foundation for, and it is of no consequence to them whether commerce prospers, the irretrievable ruin of individuals ensues, or general bankruptcy stares the nation in the face. Away then with the delusion—the unjust and unfounded accusation that your difficulties are attributable, either wholly or in part, to speculators and monopolists.

Speculators and monopolists cause a *national* panic—it is an insult to yourselves—it detracts from the extent of your commercial enterprize—it is a reflection upon your own good sense. Arouse ye then, and if there be any treasure, demand it, for it is your own; you have an unquestioned right to make this demand, and an equal right to use it as

your necessities require. The present is the period when it can avail you, and though there would have been no occasion for the pledge of your national faith, had a judicious system of policy been pursued; the opportunity is not yet passed from you to convince your brethren on the other side of the Atlantic, that no real valid foundation exists for the apprehension of your commercial stability, which they apparently entertain; the means to redeem yourselves are still within your power—the just determination to demand your rights alone is wanting.

I am aware, gentlemen, that some will attribute the foregoing observations to a feeling of hostility to the prevailing government; but indeed, I am influenced by no such motive in my address. Viewing the prevailing ruin and distress that has overtaken so many of your most influential citizens; observing, too, that its effects are becoming daily more and more widely extended, I have lent my humble endeavors to your service, believing that the cause of your difficulties is not so remote as some believe, and that the remedy is within your own power. Attached to no party, I have no party views to serve; and if I awaken within yourselves a spirit of inquiry, and arouse a watchful vigilence upon the actions of your present rulers, I shall have accomplished all I have been ambitious to perform, and your belief in the sincerity of my motives will be my sufficient reward.

I have previously observed, that in the course of my inquiries, I have heard five different causes as-

signed for your distress, viz: Firstly. Speculation being carried to too great an extent by your monied men. Secondly. The injudicious and obstinate system of policy adopted and pursued by your late President Thirdly. That there is too large an amount of specie in circulation. A 4th. (and which seems urged as arising out of the last,) Is that a diminution of your specie would have prevented your commercial prosperity from being affected; while a 5th, steering aloof from either of the preceding, holds a separate cause, and sees in the abolition of notes under a denomination of less than five dollars, the origin of all your misfortunes. Having shortly observed upon the cause first assigned, and inquired whether there be any foundation in *fact* for the second, we advance to the third, and boldly enter upon the inquiry whether it be true that there is too large an amount of specie in actual circulation. Those who support this opinion seem unfortunately for themselves, to be possessed of so much knowledge of the currency question, that they have learned, that wherever there has been too large a circulation, or an over-abundance of money afloat, extensive speculation invariably ensues, and there being a general impression that there has been this extensive speculation, without further reflection, they attribute it to what in ordinary times, will unquestionably produce it, viz: a superabundance of *specie;* but if there be any validity in the argument at all, it would go to prove that there has been too much *money* of every denomination in the market, and the opinion to be maintained, would require

the presumption, that your banks and your monied men and your government, are now in collusion for the purpose of contracting their issues.

But upon inquiry, this supposition will be found to be without foundation; for the individuals who have been the first victims of the universal panic, are the largest monied men, and as an inevitable consequence of this failure, your banks have been affected by it to the extent to which they have lent their accommodation. But many of the houses that have failed, have not been *insolvent* in the meaning of that term, but the real medium of exchange for their mercantile commodities, viz: *specie*, being withdrawn from the market, and hoarded up where its reproductive qualities must cease, the spirit of enterprize that specie causes has received a sudden check, and want of confidence has become general, and when this state of things occurs it is an inevitable consequence that buyers can not be found, and the merchant having expended his ready capital in part payment for his stock, and incurred engagements for the payment of the balance, which he has depended upon being enabled to meet by the exchange of his stock for money, his just and well founded expectations are disappointed, and his engagements cannot be fulfilled.

But a safeguard being secured to commerce by retaining a like amount of specie at all times in the market, and in fact, the very vitality of commerce being dependent on this circumstance, the argument that there has been too much specie, and that that has produced your distress, is best answered

by a review of the circumstances that have immediately preceded this state of things. If it be practicable to forget for a moment the painful reality of your situation, and for the time to close your minds to the cares and anxieties attendant upon a consideration of what the result is likely to be, and revert to what your condition was a twelve-month since, how melancholy, how striking is the contrast.

Then you were receiving and exchanging commerce with all the world; your ports were filled with foreign vessels, and terms of credit were given to your merchants without suspicion; your internal trade flourished, and you could obtain foreign merchandize upon any terms you chose to dictate; the notes of your banks were valuable to the utmost penny the face of them expressed them liable for, and as their paper was the medium in which you could transmit your accounts with your foreign creditors with the greatest facility, it was the most acceptable to them. Happy in the enjoyment of so large a share of your trade, any terms that suited you were satisfactory to the British merchants. But *now*, with internal disquietude, and a distracted money market, and withall important failures daily bearing witness to this unnatural state of affairs; the cry for "specie, specie," is perpetually ringing in your ears, and presses upon you so heavily as to overcome your faint endeavors to free yourselves from the incubus that must eventually crush you. If there has only been enough specie in the market

during the time that your commerce prospered, and the amount since your commerce declined has not been increased, it is quite clear that at the time while commerce prospered, and the general state of affairs was flourishing, the amount of specie in actual circulation was not too great. Then what attention does the argument deserve, that "too much specie has occasioned your distresses." If the inquiry be conducted with fairness, and more with a view to trace the origin of this great national crisis, and which will avail you more than supporting some favorite theory, or strenuously contending for some adopted opinion, this, it is clear, has not been its cause. To enter more at large into the currency question, or to attempt to discuss what has puzzled so many wiser heads, would but embarrass the point at issue; and would therefore be not only injudicious, but in this case is absolutely unnecessary, for you have facts and a given data from which to argue. You can each of you gentlemen, recall to your recollection, that a few months back, as a nation you were most prosperous and wealthy—blest with a surplus revenue, and happy with the contented state of your people, increasing in intelligence, and vast plans being projected for the improvement of your country; you can recollect the astonishment and dismay with which you received the treasury order, and the train of ills that have accompanied that misjudged measure, have already began to develope themselves, and frightful as these have been "the end is not yet."

Having attempted to answer, gentlemen, what we have classed as the third cause that we have heard assigned for your difficulties, we advance to argue the fourth, to which it strikes us that the distress itself is a sufficient answer.

To diminish the amount of specie in circulation, and not at the same time to devise some other representative of value, to exchange for the commodities of the merchant, and for the produce of the farmer, would be an act of so much madness that none but those most reckless of consequences would dare to attempt, and which none but the most visionary could expect to succeed. With evidence of the fatal effects that have already attended the experiment of withdrawing so much specie from the banks, and hoarding it whence no possible benefit can accrue to the public, and its reproductive powers be altogether lost—with evidence that this has been attempted, at a period of great commercial prosperity, (a time of all others the best adapted for the success of such an experiment *if indeed it ever could succeed*,) with this evidence before them it does seem impossible for any one to retain such an opinion. Most truly appalling have been the consequences of what we shall show to have had the effect of diminishing the specie currency, and if we may judge of the future by the best of all testimony, the experience of the past, any further reduction must go well nigh to utter annihilation. The specie currency *has been* diminished, and diminished to an extent that the most sanguine supporter of this extraordinary theory,

would not wish should be surpassed; and if conviction of the inutility of any further change has not been produced by the disasters before their eyes, it is in vain you will attempt any alterations in the opinions of these men, for resisting the evidence of their senses, they will of course be deaf to the appeals of their reason. Let such persons but visit your cities, and walk through your streets of business, or let them take a bill for five dollars and step into a broker's office, and endeavour to obtain that bill discounted; and they will leave the office with different feelings to what they entered it with.

So scarce is silver, I am credibly informed, that in some cases where a five dollar bill has been tendered in payment for small purchases, tradesmen have expressed their inability to give the difference, and such purchases have actually not been completed for want of the necessary change. Or let them read the report of the debate that took place during the recent sitting of the Legislature, when a measure was before the attention of the House for the purpose of exonerating Banks from specie payments, (and which measure I am informed has received their sanction,) and if the necessity for the passage of this law, so clearly expressed by many of the members does not compel them to renounce this opinion, they can never be convinced of the absurdity of a further diminution of the specie currency. Let them turn their attention to the *cause* of your present difficulties, and to them we emphatically direct the question,

whence have they originated? To the treasury order alone, can they be attributed; the immediate effect of that measure was, to take from the public use the amount of specie at that time, and the present state of affairs have been the immediate consequence. It might be well for your late President upon retiring from authority, to pronounce a flaming panegyric upon the extent of your commerce, and your general prosperity as a nation, in order to blind your eyes to the painful reverse that was so soon to overtake you—he at least must have reflected upon the effects his adoption of this circular must produce—he must have known that though the visible effect of it might be delayed a sufficient time after he went out of office that the blame might be imputed to the succeeding administration, yet that national and commercial prosperity must, through it receive a check, and confidence so sudden a shock, that it would well nigh go to a total dismemberment of the bonds of society; and the operation of it would be to dissolve every tie of foreign and private trust.

The banks would naturally be the first to feel its effects, for men of capital, disposed to lay out their money in safe investments, would become the purchasers of government lands, in order that posterity might derive an increasing advantage from this disposition of their wealth; and knowing that under the treasury order the government have declared they will not receive paper in payment of the purchase, their notes have been presented to the respective banks by which they have been is-

sued, and specie demanded for them ; and since land *speculation* (if so you choose to term it) is the most profitable, and offers something at all times tangible and easily re-converted into money, and owing to the increase of your population has become absolutely requisite, in order to furnish their growing necessities, the banks would be required to redeem their paper, not in one or two instances only, but a constant demand upon them for specie would be kept up ; and as the persons making such purchases of government lands, would pay the purchase money in gold and silver, and such specie would be paid into the treasury, and there (we suppose) be hoarded up ; the specie must be gradually diminishing, until at last the market would be completely drained. And what state of things, however prosperous, could long endure against such a demand. The treasury order is, in effect, the abolition of paper currency altogether; and add to this, that it also withdraws from circulation the only remaining currency, viz : Specie, and a satisfactory solution of the cause of your difficulties is presented to you. If your *government* cannot take the notes of the banks of their own creation—if *they* do not repose sufficient confidence in their solvency, they cannot expect you to circulate them among yourselves ; nor can they wonder, that foreign countries, framing their conduct from the course your government pursues, should decline to receive any thing but specie.

I advance now, gentlemen, to the fifth and concluding part of my address ; and upon this I shall

occupy your patience but for a single moment. The act to prevent the circulation of small notes is of too remote date to have any influence on the present depression, and since it is indifferent to the inquiry to which I have directed and attempted to confine your attention, which is shortly this, " what is the cause of the general panic and distress now existing ?" I shall pass it over without further observation. Whether the circulation of small notes be beneficial or not, I am not competent to express any decisive opinion ; but it seems that if there is no paper to be circulated of less than five dollars, there should at all events be such an amount of specie as is equal to the whole amount of sales and other transactions that are carried on throughout the country for a less sum than five dollars. It is unquestionable, that under the aspect your affairs are now assuming, either the government must give you the benefit of the treasures they have secreted, or small notes must circulate, or what is infinitely worse, the private notes of individuals must pass instead of money, which must produce much litigation, much loss, and much inconvenience. It is true, that in England no bank notes are allowed to circulate for less than five pounds sterling ; but there, gold and silver is abundant, and the amount of it generally keeps pretty steady, and there is no fatal treasury order to put a total stoppage to trade : nor, when the paralyzing effects of this order become too plainly visible, is there sufficient obstinacy in their rulers still to adhere to it.

I am aware, gentlemen, that it is an undertaking

of some degree of delicacy, to inquire into the causes of public disorders. If a man is so unfortunate as not to succeed in his inquiry, he will have to endure the charge of being weak and visionary—if he happens to touch the true grievance, there is a danger he will come too near to persons of weight and consequence, who, instead of being thankful for the opportunity to correct their errors, will rather be exasperated at the discovery of them. If he shall be obliged to blame the favorites of the people, he will be considered as the tool of power—if he censures those in power he will be looked on as an instrument of faction. But in all exertions of duty, something must be hazarded. When the affairs of a nation are disturbed, private people are justified in stepping a little out of their natural sphere. They enjoy a privilege of something more dignity and effect, than that of idle lamentation over the calamity of a country. They may look into the causes of distress narrowly—they may reason upon them liberally, and if they should be so fortunate as to discover the true source of the mischief, and to suggest any probable method of removing it, though they may displease the rulers for the day, they are of service to the cause of government. Government is deeply interested in every thing which, even through the medium of some temporary uneasiness, may tend finally to compose the minds of the citizens, and to conciliate their affections.

Believe me, gentlemen, I have not entered upon this inquiry with any intention either to depreciate from the general excellency of your government,

or with the wish to impute censure any where; and if in the course of my observations I have been betrayed into a warmth of expression, or given pain to the feelings of any individuals, by the intemperate expression of my own opinions, I have to express my sincere regret, and my trust that the offence may be attributed, rather to the circumstances under which I write, than to any premeditated design. In times of great excitement, the feelings will often obtain the sway over the reason, and although this may be lamented, we have not sufficient control to prevent it. But where there is foundation for honest indignation—where your rulers adhere to an injurious course of public conduct, their interests remaining unaffected, while yours are touched in a most important degree—where ruin stares you in the face—where, having expended a long and virtuous life in the acquisitions of the rewards of honest industry, and the fruits of your toilsome labours are about to be dashed from you at the moment you were expecting to realize them, you cannot be blamed for the public expression of your feelings. The distress being every where manifested, and the signs of the times disregarded, leaves you no alternative, either to submit or to make an appeal to the public sentiment. But though the *virtuous* mind may be moved by submission, the course of headstrong obstinacy will not be checked by it. Public men may be *mistaken* in their opinion—they may devise laws *believing* them beneficial—they may pass measures of importance, believing them to embrace the general wants of the

community—they may even exercise their *delegated* power, and tamper for a while with the good sense of the people—but when a voice of general confusion and alarm is sounded, and a panic spreads from one class to another, till it is coeval with the extent of a country's possessions—when the elements of society seem about to rend asunder, and dismay pervades all alike, extending from the wealthy merchant to the peasant of the valley—when all alike feel the pressure, and all admit the necessity of a speedy amelioration of your state, and your rulers undeterred by the consequences, continue to pursue the same policy that has produced the general mischief—when your just requirements are disregarded—your necessities unprovided for —your calls for relief unattended to—your distresses not sympathised with, it is then time to remind those who have the temporary administration of authority, of the source whence they have derived their power. The law of nature imposes no restraint against retaliating upon those by whose hostile proceedings your prospects are seriously injured. The only power your rulers enjoy has been derived from yourseves—*you* have delegated this power to them, in order that they may use it for your benefit, and when this motive ceases to influence *them*, the obligation upon you is at end, and the power reverts to you. If your rulers choose to try your patience, let them do it to an extent only, that is *constitutional*—or if they make their election to go beyond this, and to try how soon they can by oppression goad you to distraction; they

must be prepared to meet the consequences. By some means your distresses have been caused—by some means they must cease—and the retrospect of a few years will shew you so much venality and corruption on the part of your government, as to destroy your hopes of relief from that quarter. For a government to be feared, they must be firm; but its internal policy should be tempered by moderation, and where national distress exists, oppressive measures should be withdrawn. Such a state of things cannot long continue to exist; your monied men are sinking beneath it—your merchants must yield to the general ruin—your banks must suspend their specie payments—your retail dealers must close their stores—the plough of your farmers must remain idle—your mechanics must cease their employment—your peasants must cease to till the ground, and all this happening, and the treasury order suspending over your heads, still no relief can reach you; until from want of the means of complying with its requirements, the order shall become inoperative. But is commerce to be destroyed, and universal ruin to devastate the whole of your states, on account of one individual having the daring to promulgate, and the obstinacy to continue in operation this measure, or because his successor has not the hardihood to declare his independence of his predecessor, and to pursue an unfettered course?

It would be dfficult, gentlemen, to declare which is *basest*—the hardihood that can conceive and put in operation an unjust and oppressive law; or

the inhumanity that views the consequences of such a law, and having the power does not abolish it.

Having finished our inquiry into the origin of the present commercial difficulties, it may not be amiss to devote a few words to a consideration of the means by which they *must* terminate. If we have satisfactorily shewn that they have not arisen from the natural course of affairs, but have been occasioned by some extraordinary exercise of power on the part of the government, you must look to a total repeal of such measures as your surest and only means of relief. It is vain that you will quietly wait for a re-action in your affairs, and equally vain in you to expect, that by the natural course of events, public tranquility and prosperity may be restored. Extraordinary public circumstances require extraordinary exertions on the part of those who are not indifferent to the general welfare of the community, in which their own individual prosperity mainly depends. The immediate use of every constitutional power with which, as an intelligent, reasoning and free people you are entrusted should not be neglected—let your President hear by means of petitions from all quarters of the Union, that your distresses are attributable to the treasury order—let this impression be conveyed to your representatives, that, if it coincides with their own, they may, backed by your opinion, and by the applause such a course will gain for them, the more boldly declare it—let that mighty engine of public warfare against oppression—THE PRESS—

be unceasingly employed to reiterate the same sentiments, until the tide of public opinion shall pour irresistibly towards the palace of your President, who, convinced of your *constitutional* yet *firm* approach, reading in your petitions, your *humble*, yet not *abject* demands, will not, dare not, allow your just grievances to remain unredressed.

Bethink you, gentlemen, of the duty you owe to yourselves, to society—and to posterity. Your forefathers have boldly fought for, and nobly won your independence as a people, and the most valuable gift they have bequeathed to you, an unsullied name, and a free and glorious republic, alike independent of foreign powers, as well as superior to abject submission to the rulers at home, to whom, for a time, you delegate authority. A just return is due to yourselves for the share you contribute towards the maintenance of good order—you have a right to enjoy the free and uninterrupted benefit of your labors, without having your prospects destroyed by oppressive enactments—you have a duty to discharge to society, by so framing your conduct that it may conduce to the general peace and prosperity; but you have also something in return to expect from society, and that is, an unanimous expression of opinion when the discharge of this duty on your part is interfered with—but the most laudable object of your ambition is, and ought to be, to bequeath to the rising generation the same free and independent name, and the same national prosperity the blood of your ancestry has won for you, which cannot be, unless the course

of government be now protested against, that it may not have this measure to appeal to as a precedent for oppression, nor to shew that while you are independent of a foreign yoke, and own no foreign allegiance, your rulers may drive you with a rod of iron, and you will tamely kiss the hand that would grind you to the dust.

And if further appeal, gentlemen, be necessary to be made, permit me to implore you to bestir yourselves in behalf of those unfortunate individuals who have been, or may hereafter be, the victims to the effects of this circular. Who, allow me to inquire, are more honorable as members of society and good citizens—who, discharge their respective obligations in all their characters—who, so punctual in ther engagements—in whose bosom does the principle of strict honor burn brighter than in your men of extensive business? I mean no unnecessary disparagement of other classes; but if any *deserve* to reap the benefit of good government in times of distress, whether their misfortunes be caused by circumstances beyond the reach of human foresight, or by the fatal errors of government, your merchants are the individuals meriting particular sympathy. I might lend to my little work almost a tragic interest, by recording various instances within my own knowledge, in which from inability to meet their engagements, the minds of your merchants have been so much affected, that in some cases their deaths have been prematurely occasioned, and in others, the short remnant of their days has been passed in a mad-house. But I forbear.

You have before you in your daily transactions, evidence of their strict honor, and I need mention no more to induce you to attempt *their* salvation as well as your own.

You will, perhaps, have heard that the distress has not at present affected, in an equal degree, the farming portion of the community, But its final effects upon them are not the less certain. Your farmers have hitherto been in the habit of receiving *specie* whenever they have brought their produce into your markets, and having this, or a portion still in their possession, they have carried on their business without interruption. At present their specie may not be quite exhausted, but when it is, *they* must experience the same distresses that affect other classes. Let them hold on to their admiration of the government that has produced the existing state of things a little longer, and when they become touched at home, they will become the more zealous converts.

Another observation strikes me, and it would seem remiss to conclude my letter without mentioning it. How easy a thing is it to adopt principles and to express them. It is within your recollection that your late President has declared his opinion "that all who do business on borrowed capital ought to fail." With submission to him as an authority, we still beg to differ from him with regard to the justice of the sentiment. The capital is in no case equal to the trade carried on by the country, and without it is equal, credit *must* prevail to some extent. Without borrowed capi-

tal, business could not be conducted, and a spirit of enterprize must cease. But, the opinion is on a parallel with his treasury order. "Men ought," says General Jackson, "to fail who do business on borrowed capital;" and to be consistent as well as to consummate so desirable an end, he withdraws from the use of all men, so large an amount of money, as to render it impossible to carry on business at all.

I have finished my observations. I have endeavoured to confine them within as narrow a limit as the subject will allow of. Having thrown my thoughts together hastily, I have not sought to cause an impression on the public mind by studied expressions, but would rather trust to the generosity of a discriminating and intelligent public, who will appreciate my real motives, and overlook in them all my defects of style and composition.

I have the honor to be, gentlemen,

Your devoted humble servant,

THE AUTHOR.